

**ND PUBLIC EMPLOYEES RETIREMENT SYSTEM
INVESTMENT PERFORMANCE REPORT AS OF MARCH 31, 2006**

	March-06					December-05				September-05				Current Fiscal YTD	Prior Year FY05	3 Years Ended 6/30/2005	5 Years Ended 6/30/2005
	Market Value	Allocation Actual	Policy	Quarter Net ROR	Month Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Net ROR	Net ROR	Net	Net
LARGE CAP DOMESTIC EQUITY																	
<i>Structured Growth</i>																	
LA Capital	74,558,925	4.5%	4.5%	5.71%	2.34%	70,686,386	4.5%	4.5%	3.42%	70,815,392	4.6%	4.5%	5.64%	15.49%	8.17%	N/A	N/A
Total Structured Growth	74,558,925	4.5%	4.5%	5.71%	2.34%	70,686,386	4.5%	4.5%	3.42%	70,815,392	4.6%	4.5%	5.64%	15.49%	8.17%	8.30%	-8.29%
Russell 1000 Growth				3.09%	1.48%				2.98%				4.01%	10.42%	1.67%	7.25%	-10.36%
<i>Structured Value</i>																	
LSV	75,014,116	4.5%	4.5%	6.61%	1.32%	71,674,393	4.6%	4.5%	2.42%	70,359,654	4.6%	4.5%	4.82%	14.45%	18.24%	14.45%	14.70%
Russell 1000 Value				5.93%	1.35%				1.27%				3.88%	11.44%	14.06%	11.00%	5.27%
<i>Enhanced Russell 1000 Index</i>																	
LA Capital	94,944,563	5.7%	6.0%	5.15%	1.29%	95,489,365	6.1%	6.0%	2.69%	95,055,979	6.2%	6.0%	6.85%	15.37%	7.39%	8.78%	N/A
Russell 1000				4.49%	1.42%				2.12%				3.95%	10.92%	7.92%	9.19%	N/A
<i>Enhanced S&P 500 Index</i>																	
Northern Trust	94,738,758	5.7%	6.0%	3.95%	1.13%	94,656,897	6.0%	6.0%	2.57%	92,676,114	6.0%	6.0%	3.81%	10.68%	6.02%	8.16%	N/A
Westridge	98,549,728	5.9%	6.0%	4.27%	1.27%	94,726,600	6.0%	6.0%	2.10%	92,465,312	6.0%	6.0%	3.65%	10.34%	6.66%	8.57%	N/A
Total Enhanced S&P 500 Index	193,288,486	11.6%	12.0%	4.11%	1.20%	189,383,497	12.1%	12.0%	2.33%	185,141,426	12.0%	12.0%	3.73%	10.51%	6.26%	8.87%	N/A
S&P 500				4.21%	1.24%				2.09%				3.60%	10.22%	6.32%	8.28%	N/A
<i>S&P 500 Index</i>																	
State Street	31,074,936	1.9%	3.0%	4.21%	1.25%	47,513,524	3.0%	3.0%	2.07%	46,389,436	3.0%	3.0%	3.61%	10.21%	6.34%	8.30%	-2.34%
S&P 500				4.21%	1.24%				2.09%				3.60%	10.22%	6.32%	8.28%	-2.37%
TOTAL LARGE CAP DOMESTIC EQUITY	468,881,026	28.2%	30.0%	4.95%	1.41%	474,747,165	30.2%	30.0%	2.55%	467,761,886	30.4%	30.0%	4.78%	12.77%	8.65%	9.54%	-0.74%
S&P 500				4.21%	1.24%				2.09%				3.60%	10.22%	6.32%	8.28%	-2.37%
SMALL CAP DOMESTIC EQUITY																	
<i>Manager-of-Managers</i>																	
SEI	170,417,036	10.3%	10.0%	13.22%	4.00%	159,766,834	10.2%	10.0%	0.97%	158,038,229	10.3%	10.0%	5.48%	20.57%	9.36%	13.65%	N/A
Russell 2000 + 200bp				14.49%	5.02%				1.64%				5.21%	22.42%	11.64%	15.07%	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	170,417,036	10.3%	10.0%	13.22%	4.00%	159,766,834	10.2%	10.0%	0.97%	158,038,229	10.3%	10.0%	5.48%	20.57%	9.36%	13.65%	5.64%
Russell 2000				13.94%	4.85%				1.13%				4.69%	20.64%	9.45%	12.81%	5.71%
INTERNATIONAL EQUITY																	
<i>Large Cap - Core</i>																	
State Street	16,904,410	1.0%	1.0%	10.11%	3.66%	16,561,750	1.1%	1.0%	4.44%	16,771,189	1.1%	1.0%	10.65%	27.24%	7.68%	7.31%	-2.19%
MSCI EAFE (1)				9.40%	3.30%				4.08%				10.38%	25.68%	9.59%	7.29%	-2.85%
<i>Large Cap - Active</i>																	
Capital Guardian	50,441,074	3.0%	3.0%	7.49%	3.41%	50,395,527	3.2%	3.0%	9.43%	50,194,725	3.3%	3.0%	11.82%	31.54%	11.23%	7.35%	-3.02%
LSV	50,621,437	3.0%	3.0%	11.53%	3.65%	49,073,209	3.1%	3.0%	4.29%	49,949,026	3.2%	3.0%	11.55%	29.75%	N/A	N/A	N/A
Bank of Ireland	16,938,103	1.0%	1.0%	11.28%	3.75%	16,367,952	1.0%	1.0%	3.28%	16,149,923	1.1%	1.0%	6.99%	22.96%	12.20%	N/A	N/A
Total Large Cap - Active	118,000,614	7.1%	7.0%	9.74%	3.56%	115,836,688	7.4%	7.0%	6.36%	116,293,675	7.6%	7.0%	11.02%	29.58%	13.74%	8.14%	-2.37%
MSCI EAFE - 50% Hedged				9.20%	3.61%				5.84%				11.07%	28.37%	14.41%	8.84%	-2.01%
<i>Small Cap - Active</i>																	
Lazard	17,082,245	1.0%	1.0%	11.63%	4.58%	16,319,605	1.0%	1.0%	2.89%	16,531,234	1.1%	1.0%	9.65%	25.93%	19.82%	N/A	N/A
Wellington	18,399,068	1.1%	1.0%	10.00%	3.95%	16,881,154	1.1%	1.0%	5.95%	16,232,695	1.1%	1.0%	8.08%	25.98%	12.00%	N/A	N/A
Total Small Cap - Active	35,481,313	2.1%	2.0%	10.80%	4.26%	33,200,759	2.1%	2.0%	4.41%	32,763,928	2.1%	2.0%	8.88%	25.96%	15.90%	N/A	N/A
Citigroup Broad Market Index < \$2BN				9.34%	4.10%				8.94%				12.05%	33.46%	21.33%	N/A	N/A
TOTAL INTERNATIONAL EQUITY	170,386,337	10.3%	10.0%	9.99%	3.72%	165,599,197	10.5%	10.0%	5.77%	165,828,792	10.8%	10.0%	10.56%	28.62%	13.12%	10.28%	-0.51%
MSCI EAFE - 50% Hedged				9.20%	3.61%				5.84%				11.07%	28.37%	14.41%	8.84%	-2.01%
EMERGING MARKETS EQUITY																	
<i>Core</i>																	
Capital Guardian	-	0.0%	1.7%	N/A	N/A	15,888,884	1.0%	1.7%	9.92%	65,494,678	4.3%	3.6%	16.25%	N/A	33.94%	22.44%	4.12%
Ishares-Index Fund (temporary)	789	0.0%	0.9%	N/A	N/A	13,882,033	0.9%	0.9%	N/A	-	0.0%	0.9%	N/A	N/A	N/A	N/A	N/A
JP Morgan	15,512,098	0.9%	0.9%	10.46%	-0.61%	14,113,369	0.9%	0.9%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
PanAgora	13,411,504	0.8%	0.0%	N/A	-0.59%	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
WestLB	13,383,152	0.8%	0.0%	N/A	-0.79%	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
UBS	29,936,985	1.8%	1.5%	11.61%	0.62%	26,959,619	1.7%	1.5%	7.63%	22,796,595	1.5%	1.4%	N/A	N/A	N/A	N/A	N/A
Total Core	72,244,527	4.4%	4.9%	11.30%	-0.13%	70,843,905	4.5%	4.9%	8.68%	88,291,273	5.7%	5.9%	17.05%	41.59%	33.94%	22.44%	4.12%
MSCI Emerging Markets				12.12%	0.90%				7.20%				18.11%	41.97%	34.89%	24.42%	7.64%
<i>Small Cap</i>																	
DFA	16,937,105	1.0%	1.0%	12.64%	1.77%	16,274,051	1.0%	1.0%	8.16%	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
MSCI Emerging Markets				12.12%	0.90%				7.20%								
TOTAL EMERGING MARKETS EQUITY	89,181,632	5.4%	5.0%	11.49%	0.22%	87,117,955	5.5%	5.0%	8.22%	88,291,273	5.7%	5.0%	17.05%	41.23%	33.94%	22.44%	4.12%
MSCI Emerging Markets				12.12%	0.90%				7.20%				18.11%	41.97%	34.89%	24.42%	7.64%
DOMESTIC FIXED INCOME																	
<i>Core Bond</i>																	
Western Asset	41,575,437	2.5%	2.6%	-0.56%	-1.24%	39,883,406	2.5%	2.5%	0.24%	33,978,831	2.2%	2.6%	-0.48%	-0.81%	7.25%	7.46%	8.91%
Lehman Aggregate				-0.65%	-0.98%				0.59%				-0.67%	-0.73%	6.80%	5.75%	7.40%
<i>Index</i>																	
Bank of ND	85,600,441	5.2%	6.0%	-0.94%	-1.00%	81,428,000	5.2%	6.0%	0.64%	69,862,046	4.5%	4.8%	-0.93%	-1.23%	7.23%	6.11%	7.77%
Bank of ND Match Loan CD Program	-	0.0%	0.0%	N/A	N/A	-	0.0%	0.0%	N/A	19,021,175	1.2%	1.2%	1.28%	N/A	5.08%	5.33%	5.53%
Total Index	85,600,441	5.2%	6.0%	-0.94%	-1.00%	81,428,000	5.2%	6.0%	0.83%	88,883,221	5.8%	6.0%	-0.43%	-0.54%	6.91%	5.88%	7.41%
Lehman Gov/Credit				-1.01%	-1.10%				0.60%				-0.96%	-1.38%	7.26%	6.41%	7.70%
<i>Convertibles</i>																	
TCW	42,444,597	2.6%	2.6%	3.06%	1.19%	40,051,708	2.6%	2.5%	1.16%	34,388,953	2.2%	2.4%	2.95%	7.32%	-0.23%	8.73%	-2.6

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INVESTMENT PERFORMANCE REPORT AS OF MARCH 31, 2006**

	March-06					December-05				September-05				Current	Prior Year	3 Years	5 Years
	Allocation		Quarter	Month	Market Value	Allocation		Quarter	Allocation		Quarter	Net ROR	Net ROR	Fiscal YTD	FY05	6/30/2005	5 Years
	Market Value	Actual	Policy	Net ROR		Net ROR	Market Value	Actual	Policy	Net ROR	Market Value						
BBB Average Quality																	
Wells Capital	40,943,437	2.5%	2.6%	-0.97%	-1.52%	39,733,582	2.5%	2.5%	0.56%	33,517,868	2.2%	2.6%	-1.65%	-2.06%	12.04%	9.22%	8.81%
Lehman BBB				-1.20%	-1.70%				0.39%				-0.97%	-1.78%	8.60%	9.16%	7.86%
Private Debt																	
Prudential	41,664,991	2.5%	2.5%	-0.66%	-0.84%	39,944,612	2.5%	2.5%	0.82%	33,285,599	2.2%	2.2%	-0.27%	-0.13%	N/A	N/A	N/A
Lehman Aggregate				-0.65%	-0.98%				0.59%				-0.73%	N/A	N/A	N/A	N/A
Timberland																	
RMK	35,689,902	2.1%	2.1%	5.39%	-0.08%	33,791,383	2.2%	2.2%	-6.09%	36,378,341	2.4%	2.4%	-0.24%	-1.26%	14.50%	12.47%	N/A
TIR	91,695,197	5.5%	5.5%	16.68%	3.50%	91,296,173	5.8%	5.8%	3.19%	91,448,499	5.9%	5.9%	-0.09%	20.30%	N/A	N/A	N/A
Total Timberland	127,385,099	7.7%	7.7%	13.63%	2.58%	125,087,555	8.0%	8.0%	0.55%	127,826,840	8.3%	8.3%	-0.13%	14.11%	44.29%	21.48%	N/A
NCREIF Timberland Index				0.00%	0.00%				11.98%				13.04%	14.07%	7.31%	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	379,614,003	22.9%	24.0%	4.48%	0.41%	366,128,864	23.3%	24.0%	0.68%	351,881,313	22.9%	24.0%	-0.19%	5.00%	19.23%	11.83%	8.92%
Lehman Aggregate				-0.65%	-0.98%				0.59%				-0.67%	-0.73%	6.80%	5.75%	7.40%
HIGH YIELD BONDS																	
Loomis Sayles	39,521,631	2.4%	2.5%	3.67%	0.10%	38,122,418	2.4%	2.5%	1.36%	37,772,685	2.5%	2.5%	1.24%	6.38%	15.96%	N/A	N/A
Lehman High Yield Cash Pay Index				2.61%	0.42%				0.80%				0.99%	4.46%	10.83%	N/A	N/A
Sutter/Wells Capital	38,904,289	2.3%	2.5%	2.65%	0.47%	37,898,585	2.4%	2.5%	1.38%	37,217,647	2.4%	2.5%	0.31%	4.39%	9.62%	N/A	N/A
Merrill Lynch High Yield Master II Index				2.61%	0.42%				0.80%				0.99%	4.46%	10.63%	N/A	N/A
TOTAL HIGH YIELD BONDS	78,425,919	4.7%	5.0%	3.16%	0.28%	76,021,003	4.8%	5.0%	1.37%	74,990,331	4.9%	5.0%	0.77%	5.39%	12.76%	13.38%	5.52%
Lehman High Yield Bond Index				2.61%	0.42%				0.80%				0.99%	4.46%	10.86%	14.51%	7.47%
INTERNATIONAL FIXED INCOME																	
International Sovereign																	
UBS Global (Brinson)	36,356,330	2.2%	2.5%	0.13%	-0.80%	36,309,416	2.3%	2.5%	-2.54%	36,769,202	2.4%	2.5%	-1.08%	-3.47%	7.92%	11.22%	8.24%
Citigroup Non-US Gov't Bond Index (2)				-0.18%	-1.19%				-2.61%				-1.24%	-3.99%	7.75%	10.98%	7.92%
International Core																	
Brandywine	38,068,560	2.3%	2.5%	0.66%	-1.84%	37,816,746	2.4%	2.5%	-0.22%	37,366,135	2.4%	2.5%	0.80%	1.24%	11.78%	N/A	N/A
Lehman Global Aggregate (ex-US)				3.16%	-1.00%				-2.39%				-0.86%	-0.16%	8.10%	N/A	N/A
TOTAL INTERNATIONAL FIXED INCOME	74,424,890	4.5%	5.0%	0.40%	-1.33%	74,126,162	4.7%	5.0%	-1.36%	74,135,338	4.8%	5.0%	-0.15%	-1.12%	9.84%	12.08%	8.74%
Citigroup Non-US Gov't Bond Index (2)				-0.18%	-1.19%				-2.61%				-1.24%	-3.99%	7.75%	10.98%	7.92%
REAL ESTATE																	
INVESCO	43,585,466			5.60%	5.52%	41,404,402			1.73%	40,766,608			7.19%	15.15%	22.20%	12.15%	10.44%
J.P. Morgan Strategic & Special Funds	44,082,479			4.00%	1.58%	42,388,011			4.94%	40,394,385			6.33%	16.04%	19.52%	12.70%	10.44%
J.P. Morgan Alternative Property Fund	2,397,258		N/A		0.00%	-			N/A	-			N/A	N/A	N/A	N/A	N/A
TOTAL REAL ESTATE	90,065,204	5.4%	5.0%	4.66%	3.40%	83,792,413	5.3%	5.0%	3.33%	81,160,993	5.3%	5.0%	6.76%	15.46%	20.77%	12.39%	10.43%
NCREIF TOTAL INDEX				3.62%	1.19%				5.43%				4.44%	14.09%	18.02%	12.07%	10.81%
ALTERNATIVE INVESTMENTS																	
Brinson IVCF II	60,623			0.00%	0.00%	110,623			22.67%	90,179			0.00%	22.67%	0.89%	3.69%	-11.70%
Coral Partners II	99,983			-0.45%	0.00%	100,439			3.92%	123,908			0.19%	3.65%	1.13%	8.47%	-21.52%
Coral Partners V	4,430,050			-1.81%	0.00%	4,507,643			1.43%	4,441,943			0.01%	-0.40%	-18.97%	-24.36%	-22.64%
Coral Partners V - Supplemental	438,434			-18.49%	0.00%	537,405			-1.04%	542,802			-7.36%	-25.27%	-6.85%	-4.52%	N/A
Coral Partners VI	6,559,368			-1.01%	0.00%	5,390,382			2.13%	4,353,286			-1.55%	-0.47%	-1.17%	N/A	N/A
Brinson 1998 Partnership Fund	1,195,245			0.82%	0.82%	1,396,583			3.50%	1,348,645			3.17%	7.66%	19.64%	3.73%	-1.83%
Brinson 1999 Partnership Fund	2,442,053			3.86%	3.86%	2,349,078			0.64%	2,631,322			2.44%	7.08%	9.31%	1.61%	-4.71%
Brinson 2000 Partnership Fund	6,143,695			10.73%	10.73%	5,543,147			3.70%	5,368,785			6.45%	22.23%	14.97%	3.21%	-0.80%
Brinson 2001 Partnership Fund	3,627,970			5.34%	5.58%	3,722,644			2.53%	3,173,636			3.91%	12.22%	4.00%	1.40%	N/A
Brinson 2002 Partnership Fund	2,188,839			17.97%	16.91%	2,051,494			3.38%	1,983,500			3.47%	26.20%	-4.22%	6.13%	N/A
Brinson 2003 Partnership Fund	663,640			6.05%	7.64%	505,263			5.26%	394,646			7.59%	20.10%	1.71%	N/A	N/A
Brinson 1999 Non-US Partnership Fund	1,178,890			12.88%	10.03%	1,182,503			-1.05%	1,194,478			-5.55%	5.50%	32.09%	21.85%	11.30%
Brinson 2000 Non-US Partnership Fund	2,067,731			16.47%	16.47%	1,773,750			7.48%	1,649,489			-0.69%	24.32%	15.57%	13.45%	4.88%
Brinson 2001 Non-US Partnership Fund	1,731,456			0.06%	1.84%	1,571,188			3.98%	1,808,748			9.11%	13.52%	9.19%	8.24%	N/A
Brinson 2002 Non-US Partnership Fund	2,518,998			11.87%	11.47%	2,714,391			15.23%	2,144,443			-0.04%	28.86%	12.60%	12.07%	N/A
Brinson 2003 Non-US Partnership Fund	1,382,303			3.26%	3.26%	1,337,379			12.34%	1,189,936			0.61%	16.71%	2.52%	N/A	N/A
Brinson 2004 Non-US Partnership Fund	520,231			3.59%	3.59%	501,740			9.37%	311,041			4.09%	17.93%	0.42%	N/A	N/A
Brinson BVCF IV	8,015,369			2.14%	0.00%	7,839,781			8.77%	7,204,263			10.29%	22.53%	6.06%	3.14%	-7.20%
Matlin Patterson Global Opportunities	6,675,629			-8.59%	-8.59%	7,295,886			-1.36%	7,612,688			-8.79%	-17.76%	102.75%	N/A	N/A
Matlin Patterson Global Opportunities II	8,118,816			-0.74%	-0.74%	6,509,523			0.00%	6,509,686			0.00%	-0.74%	N/A	N/A	N/A
InvestAmerica	2,071,642			0.00%	0.00%	2,069,710			0.00%	2,068,707			0.00%	0.00%	-18.88%	-13.16%	N/A
Hearthstone MSII	111,121			0.00%	0.00%	0			0.00%	326,842			0.00%	0.00%	1214.92%	179.43%	90.03%
Hearthstone MSIII	2,349,451			5.32%	0.00%	4,281,333			7.40%	5,948,415			4.53%	18.24%	16.51%	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (3)	64,591,538	3.9%	5.0%	2.32%	2.06%	63,291,887	4.0%	5.0%	3.65%	62,421,388	4.1%	5.0%	1.64%	7.79%	17.24%	3.02%	-4.45%
CASH EQUIVALENTS																	
Northern Trust STIF/STEP	74,653,818	4.5%	1.0%	1.21%	0.46%	19,982,611	1.3%	1.0%	0.85%	13,469,141	0.9%	1.0%	0.89%	2.98%	2.19%	1.82%	2.72%
90 Day T-Bill				1.03%	0.39%				0.92%				0.83%	2.81%	2.15%	1.55%	2.62%
TOTAL FUND	1,660,641,402	100.0%	100.0%	6.13%	1.57%	1,570,574,092	100.0%	100.0%	2.36%	1,537,978,684	100.0%	100.0%	4.41%	13.43%	14.07%	11.96%	4.66%
POLICY TARGET BENCHMARK				4.42%	1.16%				2.23%				3.67%	10.67%	10.46%	9.88%	3.83%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.

(2) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.

(3) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.